

13.2.2. Release and Limitation of Liability of CFC. On and after the Effective Date, CFC shall not have or incur any liability to any Person or Entity for any act taken or omission made in good faith in connection with or in any way related to negotiating, formulating, implementing, confirming, or consummating this Plan, the Disclosure Statement, or any contract, instrument, filings with governmental agencies, release or other agreement or document created in connection with or related to this Plan or the administration of these Bankruptcy Cases nor with respect to any liability, Claim or cause of action, whether known or unknown, asserted or unasserted, belonging to or assertable by any Person or Entity against CFC, from the beginning of time until the Effective Date with respect to the CFC Secured Claims. CFC shall have no liability to any Person or Entity for actions taken in good faith under or relating to this Plan, or in connection with the administration of these Bankruptcy Cases. Further, CFC shall not have or incur any liability to any Person or Entity for any act or omission in connection with or arising out of their administration of this Plan or the property to be distributed under this Plan, except for actual fraud, criminal behavior or gross negligence or willful misconduct as determined by the Bankruptcy Court. The occurrence of the Effective Date shall constitute a release of any and all Claims, causes of action, rights and interests against CFC and their respective Representatives held by, owned, or assertable by a Person or Entity existing as of the Effective Date related to the CFC Secured Claims.

13.2.3. Debtors' Release of Debtors' Affiliates. On and after the Effective Date, Debtors' Affiliates shall not have or incur any liability to the Debtors for any act taken or omission made in good faith in connection with or in any way related to negotiating, formulating, implementing, confirming, or consummating this Plan, the Disclosure Statement or any contract, instrument, filings with governmental agencies, release or other agreement or document created in connection with or related to this Plan or the administration of these Bankruptcy Cases nor with respect to any liability, Claim or cause of action, whether known or unknown, asserted or unasserted, belonging to or assertable by the Debtors against the Debtors' Affiliates, from the beginning of time until the Effective Date. Debtors' Affiliates shall have no liability to the Debtors for actions taken in good faith under or relating to this Plan, or in connection with the administration of these Bankruptcy Cases. Further, Debtors' Affiliates shall not have or incur any liability to any of the Debtors for any act or omission in connection with or arising out of their administration of this Plan or the property to be distributed under this Plan, except for actual fraud, criminal behavior or gross negligence or willful misconduct as determined by the Bankruptcy Court. The occurrence of the Effective Date shall constitute a release of any and all Claims, causes of action, rights and interests against Debtors' Affiliates and their respective Representatives held by, owned, or assertable by the Debtors existing as of the Effective Date.

13.2.4. The Debtors' Release of CFC. On and after the Effective Date, CFC shall not have or incur any liability to any of the Debtors for any act taken or omission made in good faith in connection with or in any way related to negotiating, formulating, implementing, confirming, or consummating this Plan, the Disclosure Statement or any contract, instrument, filings with governmental agencies, release or other agreement or document created in connection with or related to this Plan or the administration of these Bankruptcy Cases nor with respect to any liability, Claim or cause of action, whether known or unknown, asserted or unasserted, belonging to or assertable by the Debtors against CFC, from the beginning of time until the Effective Date. CFC shall have no liability to the Debtors for actions taken in good faith under or relating to this Plan, or in connection with the administration of these Bankruptcy Cases. Further, CFC shall not have or incur any liability to Debtors for any act or omission in connection with or arising out of the administration of this Plan or the property to be distributed under this Plan, except for actual fraud, criminal behavior or gross negligence or willful misconduct as determined by the Bankruptcy Court. The occurrence of the Effective Date shall constitute a release of any and all Claims, causes of action, rights and interests against CFC and its respective Representatives held by, owned, or assertable by the Debtors existing as of the Effective Date.

13.2.5. CFC's Release of the Debtors. On and after the Effective Date, Debtors shall not have or incur any liability to CFC for any act taken or omission made in good faith in connection with or in any way related to negotiating, formulating, implementing, confirming, or consummating this Plan, the Disclosure Statement or any contract, instrument, filings with governmental agencies, release or other agreement or document created in connection with or related to this Plan or the administration of these Bankruptcy Cases nor with respect to any liability, Claim or cause of action, whether known or unknown,

asserted or unasserted, belonging to or assertable by CFC against the Debtors, from the beginning of time until the Effective Date. Debtors shall have no liability to CFC for actions taken in good faith under or relating to this Plan, or in connection with the administration of these Bankruptcy Cases. Further, the Debtors shall not have or incur any liability to CFC for any act or omission in connection with or arising out of the administration of this Plan or the property to be distributed under this Plan, except for actual fraud, criminal behavior or gross negligence or willful misconduct as determined by the Bankruptcy Court. The occurrence of the Effective Date shall constitute a release of any and all Claims, causes of action, rights and interests against the Debtors and their respective Representatives held by, owned, or assertable by CFC existing as of the Effective Date.

13.2.6. Mutual Releases of CFC and Debtors' Affiliates. On and after the Effective Date, CFC, on the one hand, and the Debtors' Affiliates, on the other, shall be mutually released from any liability against each other, for (i) any act taken or omission made in good faith in connection with or in any way related to negotiating, formulating, implementing, confirming, or consummating this Plan, the Disclosure Statement or any contract, instrument, filings with governmental agencies, release or other agreement or document created in connection with or related to this Plan or the administration of these Bankruptcy Cases and (ii) all Claims, causes of action, rights and interests related to the CFC Secured Claims.

13.2.7. CFC's and the Debtors' Release of the Committee. On and after the Effective Date, the Committee shall not have or incur any liability to CFC and/or the Debtors for any act taken or omission made in good faith in connection with or in any way related to negotiating, formulating, implementing, confirming, or consummating this Plan, the Disclosure Statement or any contract, instrument, filings with governmental agencies, release or other agreement or document created in connection with or related to this Plan or the administration of these Bankruptcy Cases nor with respect to any liability, Claim or cause of action, whether known or unknown, asserted or unasserted, belonging to or assertable by CFC and/or the Debtors against the Committee or its members, from the beginning of time until the Effective Date. The Committee shall have no liability to CFC and/or the Debtors for actions taken in good faith under or relating to this Plan, or in connection with the administration of these Bankruptcy Cases. Further, the Committee shall not have or incur any liability to CFC and/or the Debtors for any act or omission in connection with or arising out of their administration of this Plan or the property to be distributed under this Plan, except for actual fraud, criminal behavior or gross negligence or willful misconduct as determined by the Bankruptcy Court. The occurrence of the Effective Date shall constitute a release of any and all Claims, causes of action, rights and interests against the Committee and their respective Representatives held by, owned, or assertable by CFC and/or the Debtors existing as of the Effective Date.

13.2.8. Committee's Release of CFC. On and after the Effective Date, CFC shall not have or incur any liability to the Committee for any act taken or omission made in good faith in connection with or in any way related to negotiating, formulating, implementing, confirming, or consummating this Plan, the Disclosure Statement or any contract, instrument, filings with governmental agencies, release or other agreement or document created in connection with or related to this Plan or the administration of these Bankruptcy Cases nor with respect to any liability, Claim or cause of action, whether known or unknown, asserted or unasserted, belonging to or assertable by the Committee against CFC, from the beginning of time until the Effective Date. CFC shall have no liability to the Committee for actions taken in good faith under or relating to this Plan, or in connection with the administration of these Bankruptcy Cases. Further, CFC shall not have or incur any liability to the Committee for any act or omission in connection with or arising out of their administration of this Plan or the property to be distributed under this Plan, except for actual fraud, criminal behavior or gross negligence or willful misconduct as determined by the Bankruptcy Court. The occurrence of the Effective Date shall constitute a release of any and all Claims, causes of action, rights and interests against the CFC and their respective Representatives held by, owned, or assertable by the Committee existing as of the Effective Date.

13.2.9. Federal Litigation. Immediately upon the occurrence of the Effective Date, CFC and Debtors shall cause to be entered orders dismissing, with prejudice, those Claims asserted against each other in the Federal Litigation.

13.2.10. Permanent Injunction. The Confirmation Order shall contain a permanent injunction to effectuate the releases granted in this Plan.

### **13.3. Other Documents and Actions**

Except as expressly provided for herein, the Debtors and CFC may execute such documents and take such other action as is necessary to effectuate the transactions provided for in this Plan without the need for further Bankruptcy Court approval.

### **13.4. Post-Consummation Effect of Evidence of Claims or Equity Interests**

Evidence of Claims against the Debtors shall, upon the Effective Date, represent only the right to participate in the distributions contemplated by this Plan.

### **13.5. Stays**

Unless otherwise provided, all stays provided for in these Bankruptcy Cases pursuant to Sections 105 or 362 of the Bankruptcy Code or otherwise and in effect on the Confirmation Date shall remain in full force and effect until the Effective Date, whereupon the Injunction and Release provisions of Section XIII shall become binding.

### **13.6. Release of Liens**

Except as otherwise provided in this Plan or the Confirmation Order, all Liens, security interests, deeds of trust or mortgages against property of the Estates shall be deemed to be released, terminated and nullified, except as they may be assigned pursuant to the provisions of an asset purchase agreement under the Sales Motion Order.

## **XIV. PRESERVATION OF RIGHTS OF ACTION**

Except with respect to CFC, and subject to the provisions of this Plan, all Claims, rights, defenses, offsets, recoupments, subordination, causes of action, actions in equity, or otherwise, whether arising under the Bankruptcy Code or federal, state, or common law, which constitute property of the Estates within the meaning of Section 541 of the Bankruptcy Code, as well as all Claims, rights, defenses, offsets, recoupments, subordination, and causes of action arising under Chapter 5 of the Bankruptcy Code (including without limitation the Avoidance Actions) with respect to the Debtors, shall be and hereby are preserved. The rights of action preserved herein above shall be preserved solely for the purpose of asserting setoff rights in accordance with Section 9.6.

## **XV. RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over these Bankruptcy Cases after the Effective Date to the extent that it is legally permissible, including, without limitation, jurisdiction to:

15.1.1. Allow, disallow, determine, liquidate, classify or establish the priority of, secured or unsecured status of, or estimate any Claim or Equity Interest, including without limitation, the resolution of any request for payment of any Administrative Expense Claim and the resolution of any and all objections to the allowance or priority of Claims or Equity Interests and the mandatory or equitable subordination of any Claim;

15.1.2. Grant or deny any and all applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan for periods ending on or before the Effective Date;

15.1.3. Hear, decide and resolve any motions pending on the Effective Date to assume, assume and assign or reject any Executory Contract to which the Debtors are parties or with respect to which the Debtors may be liable and to hear, determine and, if necessary, liquidate, any and all Claims arising therefrom;

15.1.4. Ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of this Plan;

15.1.5. Hear, decide and resolve any and all applications, motions, adversary proceedings, contested or litigated matters and any other matters or grant or deny any applications involving the Debtors that may be pending on the Effective Date;

15.1.6. Hear, decide, resolve, and enforce any and all Claims, rights and or causes of action preserved to the Debtors, including, without limitation, any Claims, rights or causes of action held by the Debtors or the Committee;

15.1.7. Enter such Orders as may be necessary or appropriate to implement or consummate the provisions of this Plan, all contracts, instruments, releases and other agreements or documents created in connection with this Plan or the Disclosure Statement including, without limitation, Orders pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure;

15.1.8. Hear, decide and resolve any and all controversies, suits or issues that may arise in connection with the consummation, interpretation or enforcement of this Plan, the Confirmation Order or any Person or Entity's obligations incurred in connection therewith;

15.1.9. Hear, decide and resolve any disputes with regards to modifications to this Plan before or after the Effective Date pursuant to Section 1127 of the Bankruptcy Code, or to modify the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with this Plan or Disclosure Statement, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court Order, this Plan, the Disclosure Statement or any contract, instrument, release, or other agreement or document created in connection with this Plan or Disclosure Statement, in such manner as may be necessary or appropriate to consummate this Plan, to the extent authorized by the Bankruptcy Code;

15.1.10. Issue injunctions and enter and implement such orders as are necessary or appropriate to restrain interference by any Person or Entity with consummation or enforcement of this Plan;

15.1.11. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

15.1.12. Determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with this Plan or the Disclosure Statement;

15.1.13. Enter the Final Decree; and

15.1.14. To hear and determine any action concerning the recovery and liquidation of Assets, wherever located, including, without limitation, litigation to liquidate and recover Assets that consist of Claims and causes of action against third parties, and to hear and determine any action concerning the termination of taxes, tax refunds, tax attributes and tax benefits in similar or related matters with respect to the Debtors or their Estates, including, without limitation, matters concerning federal, state and local taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code.

## **XVI. MODIFICATION OR WITHDRAWAL OF THIS PLAN**

### **16.1. Modification of Plan**

The Debtors and CFC reserve the right, in accordance with the Bankruptcy Code, to jointly amend or modify this Plan prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Debtors and CFC may, upon order of the Bankruptcy Court, jointly amend or modify this Plan in accordance with

Section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan.

#### **16.2. Revocation and Filing of Additional Documents**

The Debtors and CFC each reserve the right to unilaterally revoke and withdraw this Plan prior to the Confirmation Date. If the Debtors or CFC revoke or withdraw this Plan, then this Plan shall be deemed null and void, and in such event nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors' Estates or any other Entity or to prejudice in any other manner the rights of any Entity in further proceedings involving the Debtors or CFC and specifically, shall not modify or affect the rights of any Entity under any prior orders of the Bankruptcy Court. On or before the Effective Date, the Debtors shall File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

### **XVII. MISCELLANEOUS PROVISIONS**

#### **17.1. Fractional Dollars**

Any other provisions of this Plan notwithstanding, no payments of fractions of dollars will be made to any holder of an Allowed Claim. Whenever any payment of a fraction of a dollar to any holder of an Allowed Claim would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest whole dollar (up or down).

#### **17.2. Termination of the Committee**

The Committee shall cease operating and dissolve ten (10) Business Days following final distribution of all proceeds from the Reserve Accounts. Until such time, the Committee shall continue in existence and may participate and be heard in these Bankruptcy Cases and exercise their rights and obligations as provided in this Plan.

#### **17.3. Plan Controls**

To the extent there is any inconsistency or ambiguity between any term or provision contained in the Disclosure Statement and this Plan, the terms and provisions of this Plan shall control.

#### **17.4. Payment Dates**

Whenever any payment to be made under this Plan is due on a day other than a Business Day, such payment will instead be made, without interest, on the next Business Day.

#### **17.5. Headings**

The headings used in this Plan are inserted for convenience only and neither constitutes a portion of this Plan nor in any manner affect the provisions of this Plan.

#### **17.6. Successors and Assigns**

The rights, benefits and obligations of any entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any assignee, heir, executor, administrator or successor of such entity.

#### **17.7. Maintenance of Register**

The Debtors shall at all times prior to their dissolution maintain a register of the names, addresses and amounts of Claims of the Creditors.

**17.8. Section 1125(e) of the Bankruptcy Code**

As of the Confirmation Date, Persons who have solicited acceptances of this Plan shall be deemed to have done so in good faith and in compliance with the applicable provisions of the Bankruptcy Code.

**17.9. Compliance With Tax Requirements**

In connection with the consummation of this Plan, the Debtors shall comply with all withholding and reporting requirements imposed on them by any taxing authority and all distributions hereunder shall be subject to such withholding and reporting requirements.

**17.10. Severability of Plan Provisions**

In the event that, prior to the Confirmation Date, any term or provision of this Plan which does not govern the treatment of Claims or the conditions of the Effective Date, is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision hereof, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable in accordance with its terms.

**17.11. Notices and Distributions**

17.11.1. To Claimants. On and after the Effective Date, all notices, requests and distributions to a holder of a Claim shall be sent to the last known address of (i) the holder or its attorney of record as reflected in the holder's proof of Claim or Administrative Expense Claim Filed by or on behalf of such holder; or (ii) if there is no such evidence of a last known address, to the last known address of the holder according to the books and records of the Debtors. Any holder of a Claim may designate another address for the purposes of this Section by providing the Debtors written notice of such address, which notice will be effective upon receipt by the Debtors of the written designation.

17.11.2. To Parties in Interest. All notices, requests, objections and related correspondence shall be served on the following Representatives of the Debtors, CFC and the Committee:

(a) To the Debtors:

- (i) Chief Financial Officer  
CoServ L.L.C.  
7701 South Stemmons  
Corinth, Texas 76210
- (ii) Holland Neff O'Neil  
Richard M. Roberson  
Gardere Wynne Sewell LLP  
1601 Elm Street, Suite 3000  
Dallas, Texas 75201-4761

(b) To CFC:

- (i) John J. List  
Senior Vice President  
National Rural Utilities Cooperative Finance Corporation  
2201 Cooperative Way  
Herndon, Virginia 20171-3025
- (ii) Charles R. Gibbs  
Akin Gump Strauss Hauer & Feld LLP  
1700 Pacific, Suite 4100  
Dallas, Texas 75201

(c) To the Committee:

- (i) Rick McClure  
Utiliserve, Inc.  
2800 Quail Run, Suite 100  
Corinth, Texas 76028
- (ii) Joseph J. Wielebinski  
Munsch Hardt Kopf & Harr PC  
1445 Ross Avenue  
Dallas, Texas 75202

**17.12. Unclaimed Property**

If any property distributed by the Debtors remains unclaimed for a period of one (1) year after it has been delivered (or delivery has been attempted) or has otherwise been made available, such unclaimed property shall be forfeited by the Person or Entity entitled to receive the property and the unclaimed property and the right to receive it shall revert to and vest in CFC free and clear of any rights, Claims or interests of such Person or Entity. The use of regular mail, postage prepaid, to the last known address of a holder of a Claim shall constitute delivery for purposes of this Section.

**17.13. Creditor Defaults**

Any act or omission by a Creditor, other than CFC, in contravention of a provision within this Plan shall be deemed an event of default under this Plan. Upon an event of default, the Debtors may seek to hold the defaulting party, other than CFC, in contempt of the Confirmation Order. If such Creditor, other than CFC, is found to be in default under this Plan, such party shall pay the reasonable attorneys' fees and costs of the Debtors in pursuing such matter. Furthermore, upon the finding of such a default by a Creditor, other than CFC, the Bankruptcy Court may (i) designate a party to appear, sign and/or accept the documents required under this Plan on behalf of the defaulting party, in accordance with Federal Rules of Civil Procedure, Rule 70, or (ii) make such other order as may be equitable which does not materially alter the terms of this Plan as it is confirmed.

**17.14. Plan Proponent Defaults**

Any act or omission by a plan proponent, in contravention of a provision within this Plan shall be deemed an event of default under this Plan. Upon an event of default, the non-defaulting plan proponent or the Committee may seek to hold the defaulting party in contempt of the Confirmation Order. If such plan proponent is found to be in default under this Plan, such party shall pay the reasonable attorneys' fees and costs of the non-defaulting plan proponent or the Committee in pursuing such matter. Furthermore, upon the finding of such a default by a plan proponent, the Bankruptcy Court may (i) designate a party to appear, sign and/or accept the documents required under this Plan on behalf of the defaulting party, in accordance with Federal Rules of Civil Procedure, Rule 70, or (ii) make such other order as may be equitable which does not materially alter the terms of this Plan as it is confirmed.

**17.15. Unused Reserve Account Funds**

Upon the entry of the Final Decree, all funds in the Reserve Account shall revert to and become the property of CFC.

**17.16. Representative of the Estates**

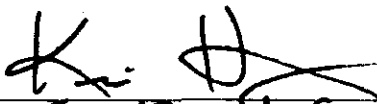
On the Effective Date, the Committee shall become a Representative of the Estates appointed pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code to handle objections to Claims and pursue any rights of action preserved pursuant to Section XIV.



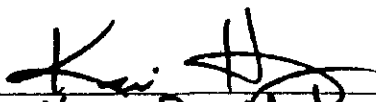
Dated: June 24, 2002.

COSERV TELECOM HOLDINGS, L.P.

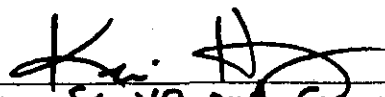
By: CoServ Telecom GP, L.L.C.  
Its: General Partner

By:   
Its: Sr. VP and General Counsel

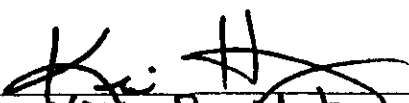
COSERV L.L.C. d/b/a COSERV COMMUNICATIONS

By:   
Its: Vice President

COSERV TELECOM GP, L.L.C.

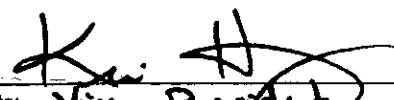
By:   
Its: Sr. VP and General Counsel

DWB GP, INC.

By:   
Its: Vice President

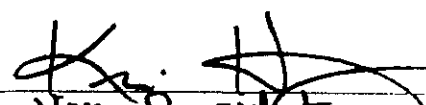
MULTITECHNOLOGY SERVICES, L.P. d/b/a  
COSERV BROADBAND SERVICES

By: DWB GP, Inc.  
Its: General Partner

By:   
Its: Vice President

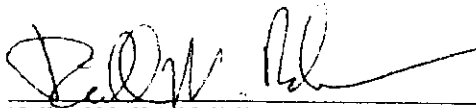
DALLAS WIRELESS BROADBAND, L.P.  
d/b/a COSERV BROADBAND

By: DWB GP, Inc.  
Its: General Partner

By:   
Its: Vice President

GARDERE WYNNE SEWELL LLP

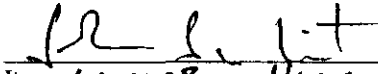
By:

  
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Richard M. Roberson (Texas Bar No. 16993800)  
Merrill L. Kaliser (Texas Bar No. 24026894)  
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AND THE DEBTORS IN POSSESSION


NATIONAL RURAL UTILITIES COOPERATIVE  
FINANCE CORPORATION

By:

  
Its: SENIOR VICE PRESIDENT

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.

By:

  
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AKIN, GUMP, STRAUSS, HAUER, & FELD, LLP  
OPERATING ACCOUNT

1539

August 1 2002  $\frac{18}{210}$

PAY TO THE ORDER OF FEDERAL COMMUNICATIONS COMMISSION \$ 815.00

Eight hundred & fifteen eight DOLLARS

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399 PARK AVENUE  
NEW YORK, NY 10043

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Margaret M. Cornett